

Frequently Asked Questions for Medi-Share Members

What is the current status of Medi-Share in Kentucky?

On Oct. 2, 2012, Franklin Circuit Court Judge Thomas Wingate ordered Medi-Share to “cease all operations in Kentucky unless and until it receives a certificate of authority or other applicable license from the Department of Insurance to transact their insurance business in the Commonwealth.” Medi-Share has not applied for a license to operate in the state.

On Oct. 31, 2012, Judge Wingate agreed to give Medi-Share members more time to obtain replacement coverage. Under the most recent ruling, participation in Medi-Share can continue through Jan. 1, 2013. Members may pay premiums and Medi-Share is permitted to process any claims during that time. However, Medi-Share is prohibited from taking the average 23 percent administrative fee from members during this extension. All Medi-Share coverage ends Jan. 1, 2013.

As a Medi-Share member, how do I obtain new health insurance for my family?

You should obtain replacement coverage immediately. For a list of health insurance companies authorized to do business in Kentucky’s individual market, please go to <http://insurance.ky.gov/Documents/IndHealthList030612.pdf>. You may want to contact an insurance agent in your area to assist.

If anyone in your family has access to insurance through an employer, you will want to contact the company’s human resources representative to discuss any options you might have in the group market. If you own a business, you might want to explore coverage through an association.

What about sharing ministries?

The Department is examining the other sharing ministries to see if those entities are in compliance with state law. At this time, the Department has met with Samaritan Ministries and determined it fits within the religious publication exemption and is not subject to state regulation. If others are added to the list, this FAQ will be updated.

If you choose to join a sharing ministry, please keep in mind that many consumer protections available to those in state-regulated health insurance plans will not be available to you. For example, if you have a dispute over a denied claim, you will not be able to file a complaint with the Department of Insurance.

What is “creditable coverage” and does this apply?

When you leave a health plan, an insurance company will issue a certificate of creditable coverage. This serves as evidence to a new insurer of your prior coverage and, depending on the length of that coverage, may offset any pre-existing condition exclusion period under your new plan.

A pre-existing condition is a health problem for which medical advice, diagnosis, care or treatment was recommended or received within the six-month period ending with the enrollment date of the new insurance coverage. Companies can “look back” and generally exclude coverage for up to 12 months for any pre-existing condition. This is called the exclusion period. Creditable coverage serves as an offset to the exclusion period on a month-for-month basis.

Since Medi-Share does not have a certificate of authority and was not operating legally in the state, it was considered to be an unauthorized insurer. However, in an effort to protect consumers, the Department of Insurance issued an advisory opinion in 2002 (<http://insurance.ky.gov/Documents/advop200203.pdf>) that a policy issued by an unauthorized insurer should count as creditable coverage.

It is important for Medi-Share members to obtain coverage as soon as possible to avoid a 63-day break in coverage since Medi-Share would no longer be considered creditable coverage after that time. The window to purchase with this protection begins when you end your coverage with Medi-Share, whether on Jan. 1, 2013, or earlier if you move to a new insurer prior to that date.

How does the pre-existing condition “look back” work?

Here are some examples: If you were a Medi-Share member for at least 12 months and purchase replacement coverage within 63 days of the end of your policy, any company that accepts you as a member would not be able to deny coverage for any pre-existing condition.

If you were a Medi-Share member for eight months and did not have other creditable coverage prior to joining that plan, a new health insurance company that accepts your application would be able to deny coverage for any pre-existing condition for four months. This is part of the 12-month “look back” period for pre-existing condition exclusions.

Please remember that companies in the individual market are allowed to medically underwrite and could deny your application due to any medical condition. In that case, the state's high risk pool, Kentucky Access, should be contacted.

Would Medi-Share members be eligible for the federal high-risk pool, the Pre-existing Condition Insurance Plan (PCIP)?

To be eligible for PCIP, you must be a United States citizen or reside here legally, have been without health insurance for at least six months prior to your application, and have a pre-existing condition or have been denied coverage because of a health condition. Since Medi-Share is being considered creditable coverage, you would not be eligible for PCIP at this time because you would not have been uninsured for the past six months.

Medi-Share states in all its material that it is not insurance. Why does the Department disagree?

Since initially filing a lawsuit against Medi-Share in 2002, the Department has believed that the entity was offering insurance and was not exempt from state regulation. This position was upheld by the Kentucky Supreme Court in 2010 when it found that Medi-Share "fits comfortably" within the statutory definition of insurance and did not meet the requirements for an exemption from state regulation.

Why is it important to obtain coverage through an insurer regulated and authorized by the Department of Insurance?

The Department of Insurance has jurisdiction over licensed and authorized health insurance companies. The Kentucky General Assembly has enacted laws that govern the activities of health insurers and the Department is charged with implementing and enforcing these laws, including consumer protections regarding the filing of rates, certain mandated benefits, financial solvency and appeals processes. With unauthorized or unlicensed plans, consumers are not protected from the possible unlawful or improper actions of these types of companies.

What would Medi-Share need to do to operate legally in Kentucky?

Under the order from Judge Wingate, Medi-Share must obtain the proper certificate of authority (or license) to operate in the state. Medi-Share would need to complete the appropriate application, meet certain capital and surplus requirements, submit a plan of operation and follow all the laws applicable to other health insurance companies operating in Kentucky. Other laws would include the prompt payment of claims, submitting rates for approval, an external appeals process to review claims denied by an insurer, etc.

If a Medi-Share member needs help with options, who can assist?

The Kentucky Health Insurance Advocate's office can assist with options. Please call toll-free in Kentucky 877-587-7222 or visit <http://healthinsurancehelp.ky.gov>.

If you have questions about the court case, please send an email to DOI.Info@ky.gov or call 800-595-6053 and ask for ext. 25273.

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